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State of Idaho

Legislative Services Office

## Management Report

A communication to the Joint Finance-Appropriations Committee

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# DEPARTMENT OF CORRECTION

FY 2008, 2009, AND 2010

**Report MR23010**

**Date Issued: October 14, 2011**

*Serving Idaho's Citizen Legislature*



Idaho Legislative Services Office  
Legislative Audits Division

Don H. Berg, Manager

## DEPARTMENT OF CORRECTION

### SUMMARY

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#### **PURPOSE OF MANAGEMENT REVIEW**

We conducted a management review of the Department of Correction covering the fiscal years ended June 30, 2008, 2009, and 2010. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

#### **CONCLUSION**

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Department.

#### **FINDINGS AND RECOMMENDATIONS**

There are no findings and recommendations in this report.

#### **PRIOR FINDINGS AND RECOMMENDATIONS**

The prior report contained one finding and recommendation, which was evaluated as part of the current review and is satisfactorily closed.

#### **AGENCY RESPONSE**

The Department has reviewed the report and is in general agreement with its contents.

#### **FINANCIAL INFORMATION**

The following financial data is for informational purposes only.

**DEPARTMENT OF CORRECTION – FINANCIAL SUMMARY FISCAL YEAR 2010**

<u>Fund</u>	<u>Fund Name</u>	<u>Beginning Cash/ Appropriation</u>	<u>Receipts/ Transfers In</u>	<u>Disbursements/ Transfers Out</u>	<u>Ending Cash/ Appropriation</u>
0001	General Fund	\$149,318,861	\$67,768	\$146,738,267	\$2,648,362 *
0150	Budget Stabilization Fund	0	2,000,000	2,000,000	0
0282	Inmate Labor	3,132,487	4,906,868	5,382,613	2,656,742
0284	Parolee Supervision	2,501,696	5,291,070	6,421,949	1,370,817
0340	Liquor Fund	299,126	443,051	658,325	83,852
0348	Federal Grant	815,040	2,167,967	2,567,364	415,643
0349	Miscellaneous Revenue	2,085,134	2,849,309	3,403,934	1,530,509
0481	Endowment Earnings Fund	186,212	1,043,171	1,125,597	103,786
0630	Parole Bonds Fund	271,755	46,980	10,935	307,800
	Totals	<u>\$158,610,311</u>	<u>\$18,816,184</u>	<u>\$168,308,984</u>	<u>\$9,117,511</u>

\*General Fund ending balance comprises \$1,979,331 reversion and \$669,031 encumbrance.

**OTHER INFORMATION**

We discussed other issues which, if addressed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho, the Department of Correction, and the State Board of Correction and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the director, Brent Reinke, and his staff.

**ASSIGNED STAFF**

Chris Farnsworth, CPA, Managing Auditor  
Kathleen Watkins, CPA, CFE, In-Charge Auditor  
Maresa Blessinger, Staff Auditor  
Kyle Wilmot, Staff Auditor

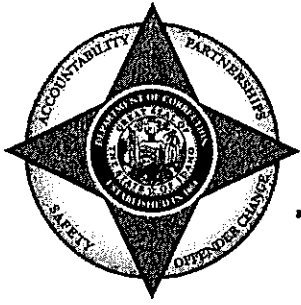
# TABLE OF CONTENTS

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Agency Response.....	1
Appendix.....	2

## AGENCY RESPONSE

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# IDAHO DEPARTMENT OF CORRECTION

*"Protecting Idaho through Safety, Accountability, Partnerships,  
and Opportunities for Offender Change"*

C. L. "BUTCH" OTTER  
Governor

BRENT D. REINKE  
Director

September 21, 2011

Kathleen Watkins  
Idaho Legislative Services - Audit

Subject: **Legislative Services Office – Audit Update**

We are in receipt of the draft audit report for fiscal years ending 2008, 2009, and 2010.

We agree with the contents of the report. We would also like to thank the three members of the audit team: You, Maresa Blessinger, and Kyle Wilmot. We found you to be very helpful and greatly appreciated your valuable input, your consideration during the weeks leading into year-end, and your professionalism.

Thank you,

Theo M. Lowe  
Executive Financial Officer

cc: Susan Fujinaga, Management Services Deputy Chief  
Tony Meatte, Management Services Chief

# APPENDIX

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## HISTORY

The Idaho Territory was organized in 1863. The first jails were established in Nez Perce County and Boise County the following year. In 1866, the Boise county Jail, in Idaho City, was designated the territorial prison, and the sheriff served as warden. In 1867, Congress appropriated \$40,000 to build a larger Idaho territorial prison. The prison was built two miles southeast of Boise and remained the site of the Idaho State Penitentiary until 1973.

The first prisoners were incarcerated at the old site in 1872. A cell house was built in 1889. In 1890, when Idaho was granted statehood, the penitentiary was turned over to the State of Idaho. Near the turn of the century, a number of buildings were constructed, with inmates supplying most of the labor. In 1952, a 320-man cell house and a maximum-security unit were built.

In the early 1960s, the Idaho State Legislature appropriated funds to build a new correctional facility for the State of Idaho. The Idaho State Correctional Institution (ISCI) was constructed over a ten-year period. The institution was completed in 1973 and is located south of Gowen Field, approximately 16 miles from the center of Boise. Relocation from the old Idaho State Penitentiary to the Idaho State Correctional Institution was completed in 1973.

In 1972, the Department of Correction acquired the former Job Corps site located near Cottonwood. The North Idaho Correctional Institution (NICI) was constructed in 1974 to house the retained jurisdiction (rider) program. This program allows judges to retain jurisdiction over an inmate while they receive 180 days of programming. If they are successful, they can then be placed on probation. NICI is still used to house riders.

## THE LAST 25 YEARS

When the territorial prison closed in 1973, 416 inmates moved to the new ISCI. The opening of NICI in 1974 doubled the number of prisons in Idaho to two. In the decades since, that number has increased to eight State prisons, five community work centers, and contract beds. Between 1973 and fiscal year 1980, Idaho's incarcerated population more than doubled from 416 to 915. In the 31 years since, it has grown to 7,579 at the end of fiscal year 2011.

Women prisoners were housed at the territorial prison prior to its closure, then at institutions in other states until 1976 when they were moved to NICI. In the early 1980s, the Department received an old mental hospital building in Orofino and converted it into a prison. The Idaho Correctional Institution-Orofino (ICIO) opened to women prisoners and geriatric males in April 1985. This facility has expanded several times since opening and no longer houses females. ICIO now houses males of all custody levels.

In 1984, the U.S. District Court ordered the Department to improve medical, dietary, psychological, and classification programs. The court also ordered the Department to increase staffing at ISCI and reduce inmates. The Department built the minimum-security facility South Idaho Correctional Institution (SICI) in response to a court order. SICI has expanded several times since, including the addition of a release center that houses a therapeutic community. Plans are underway to transfer the SICI therapeutic community population to ICC. The release center will be remodeled to house the increasing population of female offenders currently housed at county jails.

The Department acquired an old hospital building in St. Anthony and converted it into a work camp facility. The St. Anthony Work Camp opened in 1991, and doubled its capacity in 2003.

The Pocatello Women's Correctional Institution opened in April 1994. At that time it housed all female inmates. Since that time, the Department has managed population growth in females by converting a work center south of Boise into a female facility. In 2006, an addition to the work center opened creating a two-building facility south of Boise named the South Boise Women's Correctional Center.

The State's newest facility will soon be its largest. The Idaho Correctional Center opened in July 2000. The initial capacity was 1,250. The publicly owned, privately run prison added 206 beds in 2006, and completed two additional expansions in 2009. A 324-bed, close-custody unit opened July 1, 2009. These new beds allowed the Department to move beds from other facilities to ICC, paving the way for the return of offenders housed out-of-state. A warehouse was also converted to a 300-bed treatment unit at ICC, opening in August 2009, ending the need for out-of-state housing. Total capacity at ICC is 2080 beds.

The Correctional Alternative Placement Program (CAPP) building and programs opened in July 2010, with 432 bed capacity. The facility was built and is managed by Management Training Corporation (MTC) under a lease-purchase agreement which will allow Idaho to purchase the building in 20 years. CAPP provides a 90-day intensive drug and alcohol treatment program (alternative to 780-day prison stay) for offenders who violate parole or probation and appear to be headed to prison, or for offenders who are about to be released back into society. The Department of Correction, the Commission on Pardons and Parole, the courts, and contractors worked to design operations that guide the smooth flow of offenders to and from the treatment program.

#### **PURPOSE**

The Idaho Department of Correction's mission is to protect Idaho through safety, accountability, partnerships, and opportunities for offender change. The Department provides incarceration facilities for adult felons, pre-sentence reports for the courts, and supervision for probationers and parolees. The Governor-appointed three-member Board of Correction provides oversight and appoints the Director. Brent D. Reinke was appointed director in January 2007.

The Department employs 1,582 dedicated professionals and manages 7,600 incarcerated offenders. Inmates are housed in eight State correctional institutions, five community work centers, and contract beds.

In addition to incarceration services, the Department supervises more than 14,000 probationers and parolees in seven districts statewide, provides education and treatment services to the incarcerated, supervises offender population, and oversees contracts to provide for medical and mental health services.

Department services also encompass support functions including information technology, construction, fiscal, inmate placement, central records, review and analysis, human resource services, public information, policy, and the office of professional standards.

Revenue comes from the General Fund, cost of supervision fees, work crew revenue, miscellaneous revenue (Inmate Management Fund), penitentiary (endowment) and federal grants.



## **STATUTORY AUTHORITY**

**Incarceration Services** – Provides for the care and custody of felony inmates committed to the custody of the State Board of Correction.

**Probation and Parole Supervision** – Supervises all persons convicted of a felony and placed on probation or released from prison and placed on parole.

**Programs and Education** – Provides rehabilitation to reduce offender risk to re-offend.

**Pre-Sentence Reports** – Investigates offenders' backgrounds and create pre-sentence reports to help the courts with sentencing decisions.

## **FUNDING**

The Department is funded primarily from the State General Fund. Other funding sources include endowment income received from pooled investments administered by the Investment Board, COS fees, federal funds, and miscellaneous receipts. The following is a brief description of the Department's operating funds.

**0001 General Fund** – This fund receives a General Fund appropriation consisting of moneys received into the treasury and not specifically appropriated to any other fund and, with the exception of federal grant programs, is used for all programs administered by the Department.

**0150 Budget Stabilization Fund** – This fund was created pursuant to Idaho Code, Section 57-814 for the purpose of meeting General Fund shortfalls and to meet expenses incurred as the result of a major disaster declared by the Governor. Per Senate Bill 1227 of the 2009 Legislative Session, the Governor authorized a one-time transfer of \$2 million to the Department for the purpose of meeting critical staffing needs.

**0282-00 Inmate Labor** – This fund consists of fees received for inmate work crews under contract to federal, State, and local governmental agencies and nonprofit entities, and 30% of gross wages earned by inmate workers involved in work-release programs.

**0284 Parolee Cost of Supervision** – This fund receives receipts from individuals on probation or parole in accordance with Idaho Code, Section 20-225. A person under State probation or parole supervision shall be required to contribute not more than \$50 per month as determined by the Board of Correction. Currently the Board has authorized Community Supervision to collect \$50 per month. The fund is used to fund a portion of operations in the Community Corrections Division, as well as accounting functions related to the collection of the contributions.

**0340 Liquor Fund** – This fund includes a 2% surcharge from the sale of liquor in accordance with Idaho Code, Section 23-217 fees generated through the increased maximum that can be levied on certain fines, per Section 2(2)(b), Chapter 360, Laws of 2005. Appropriated from three liquor and tobacco funds, it is used solely to fund probation and parole officers dedicated to drug and mental health courts.

**0348 Federal Grant** – This fund receives federal funds for AmeriCorps's functions of Idaho Commission for National and Community Services (housed with the Department of Correction), for volunteer programs and State criminal alien assistance. The fund is used for development and training to expand the Commission's reach into Idaho communities, for

tutoring, Habitat for Humanity, and personnel costs. Federal funds are received from various grantors such as the Idaho State Police and the Department of Justice for education.

**0349-00 Miscellaneous Revenue** – This fund receives money from used vehicles and equipment, fees charged for photocopying, and refunds. It also receives funds generated by conducting employee background checks and sewer lagoon maintenance for the privately-owned prison, reimbursement for security provided to Correctional Industries, rental income from State-owned housing in Cottonwood, and receipts from community service projects.

Also, revenue is generated by the sale of items to offenders from the, prison commissaries, vending machines, recycling, telephone calls, laundry fees, and interest income and is appropriated for personnel costs and operating expenditures for financial staff supporting inmate banking.

**0481 Endowment Earnings Fund** – Endowment income from the Endowment Investment Board and the Idaho Department of Lands is deposited in this fund and used for Department operations.

**0630 Parole Bonds Fund** – This fund receives bonds collected from parolees approved to move out of State through an interstate compact. The bond is returned to the parolee when the parole period has been completed. The money may also be used to extradite parolees who violate parole.

# Department of Correction – External Organization Chart

